

5/015/040(4)

From: John Blake
To: Paul Baker
Date: 9/2/03 4:07PM
Subject: Re: Postmining Land Use for Miracle Rock

I think you need to bond for complete reclamation. We cannot speculate whether another operator might want to take over the site in the future and don't want to end up with an unreclaimed abandoned mine on the property.

>>> Paul Baker 09/02/03 02:49PM >>>

I'm sorry if I gave you the wrong impression, but I'm not talking about anything in the near-future. I don't think Miracle Rock has any intention of selling their leases or reclaiming or anything like that right now. We just need to get a bond amount settled, and our feeling is that \$12,000 will not fully reclaim the site. If SITLA was willing to settle for a partially reclaimed site so another operator could come in afterward, we might look at a reduced bond amount. Dave is thinking this would potentially be at some point in the future--10 or 20 years perhaps--but we have to look at it as if they abandoned the site tomorrow.

Anyway, I take your last statement as what you would like to see at the site: complete reclamation. This is not what Dave says SITLA said, but I don't know if he has anything in writing. I can ask if I need to.

>>> John Blake 09/02/03 02:15PM >>>

Dave Taylor has not spoken with me about this matter. I think that the underground mine is pretty well mined. The only other party who may be interested in the workings is the Rockland Corporation. But last I heard, Miracle Rock and Rockland are not speaking to one another. SITLA would probably like to see complete reclamation of the site.

>>> Paul Baker 09/02/03 02:01PM >>>

A few weeks ago, Doug, Wayne, Joelle and I met with Dave Taylor at his Rockland Mine. Since he's now over five acres, we've been working on bonding requirements. As we discussed how we would like to see the mine reclaimed, Dave said that SITLA simply wants the portals sealed with little other reclamation work. The reason for this is so another entity could come in and start mining after Miracle Rock is done.

We don't normally consider mining to be a postmining land use, and we usually bond for complete reclamation even if an alternate land use seems very realistic and approvable. In this case, Dave anticipates having a lot of trouble coming up with the additional money to get up to \$30,000 or so. I'm not sure how we're going to work it out, but bonding for partial reclamation might be an option if you indicate you only want the site partially reclaimed.

Please let me know what you think about this. Thank you.